GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2003
ANSWERED ON:30.11.2007
WIRE TRANSFER COMPANIES
Jindal Shri Naveen

Will the Minister of FINANCE be pleased to state:

(a) whether a number of wire transfer companies are operating in India;

(b) if so, the details thereof with the countries of their origin;

(c) whether instances of misuse of the electronic money transfer by terrorist organizations through these companies have come to the notice of the Government;

(d) if so, the details thereof; and

(e) the measures being taken to tackle this menace?

Answer

THE MINISTRY OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Yes, Sir. Cross-border remittance of funds in India is effected through

(i) Money Transfer Service Scheme (MTSS), and

(ii) Speed Remittance of Rupee Drawing Arrangement (SRRDA). Under the MTSS, the Indian Agents are permitted to tie up with Overseas Principals to receive inward cross-border remittances in accordance with the provisions of the Scheme.

Presently, 11 Overseas Principals (OPs) have tie-up with Indian Agents. Out of these, five are from USA, two each from UK and United Arab Emirates (UAE), and one each from Canada and Bahrain. Under the SRRDA, Exchange Houses situated in Hong Kong, Singapore and Gulf countries can remit cross-border remittances into India through the mode of wire transfer. Authorised Dealer (AD) Category-I banks enter into tie- up with Exchange Houses in the above mentioned areas for receiving cross-border inward remittances. Presently, 68 Exchange Houses have tie-up arrangement with AD Category-I banks in India. Out of these, 23 are registered in UAE, 12 in Oman, 11 in Kuwait, 9 in Qatar, 8 in Bahrain, 2 each in Singapore and Saudi Arabia and one in Hong Kong.

(c) to (e) : Instances of misuse of the mode of electronic money transfer have come to the notice of the Investigating Agencies. However, in view of sensitive nature of the information, the same is not shared. As and when such instances are reported, appropriate steps are being taken to avoid recurrence of such instances.